

# HOUSE . . . . . No. 1682

By Mr. White of Boston, petition of W. Paul White, Daniel F. Pokaski, Thomas F. Brownell and Alfred Saggese, Jr., that provision be made for property tax relief for low and moderate income persons. Taxation.

## The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Seventy-Eight.

### AN ACT TO PROVIDE PROPERTY TAX RELIEF FOR LOW AND MODERATE INCOME PERSONS.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1 SECTION 1. Section 6 of chapter 62 of the General Laws, as  
2 most recently amended by section 5 of chapter 555 of the acts of  
3 1971, is hereby further amended by adding at the end the  
4 following subsection: —

5 (c) A credit shall be allowed against taxes imposed by this  
6 chapter, subject to the following restrictions and limitations, for  
7 that portion of the tax on real estate paid, either directly or  
8 through rent, by a resident, which was levied pursuant to chapter  
9 fifty-nine against the personal residence of said individual.

10 Residence shall mean the building, whether owned or rented,  
11 actually occupied as the primary dwelling, and so much of the  
12 land surrounding it, not exceeding one acre, which is reasonably  
13 necessary for use of the building as a home. A residence may  
14 consist of a part of a multi-unit or multi-purpose building and so  
15 much of the land upon which the building is built as is reasonably  
16 necessary for use of said building as a dwelling. If a residence is an  
17 integral part of a larger area, including but not limited to a farm,  
18 or a multi-purpose of multi-unit building, the amount of tax paid  
19 shall be calculated as the same proportion of the real estate tax  
20 paid on the whole area or building as the value of the residence is  
21 of the value of the larger area or building. In the case of rented  
22 residential premises, the amount of tax paid shall be calculated as  
23 twenty-five per cent of the gross rent actually paid for the

24 occupancy of the premises during the calendar year, or that  
25 portion of the calendar year during which the premises were  
26 occupied, and the full amount of any additional payments  
27 specifically designated as, or accruing on account of increased  
28 real estate tax payments and actually paid by the occupant,  
29 during the calendar year.

30 No credit shall be claimed for taxes levied on more than one  
31 residence, except that taxes paid, directly or through rent, for  
32 more than one residence actually occupied during different  
33 portions of the taxable year may be added together so long as the  
34 tax paid on no more than one residence at the same time shall be  
35 allowed.

36 This credit shall be allowed as follows: (a) an individual  
37 taxpayer whose income subject to taxation under this chapter,  
38 combined with that of his spouse, if any, and any other resident of  
39 the taxpayer's household over eighteen years of age whose income  
40 during the taxable year exceeded two thousand dollars, does not  
41 exceed five thousand dollars during the taxable year in which the  
42 real estate tax was paid, with an additional three thousand dollars  
43 for the first dependent of said taxpayer as the term is used in  
44 section one hundred fifty-one (e) of the Code, and including his  
45 spouse, if any, and an additional two thousand dollars for each  
46 additional dependent for a taxpayer with five or more dependents  
47 or a spouse and four or more dependents, shall be allowed a  
48 credit in the amount of that portion of the real estate tax paid, as  
49 calculated according to this subsection, which exceeds an amount  
50 equal to five per cent of the income subject to taxation under this  
51 chapter of the taxpayer, his spouse, and any other resident of the  
52 taxpayer's household over eighteen years of age whose income  
53 during said taxable year exceeded two thousand dollars; (b) an  
54 individual taxpayer whose income so combined and subject to  
55 taxation does not exceed seven thousand dollars during said year,  
56 with an additional three thousand dollars for the first such  
57 dependent, including a spouse and an additional two thousand  
58 dollars for each additional dependent, up to a maximum of  
59 eighteen thousand dollars for a taxpayer with five or more  
60 dependents or a spouse and four or more dependents, shall be  
61 allowed a credit in the amount of that portion of the real estate  
62 tax paid as so calculated which exceeds an amount equal to six  
63 per cent of such income; and (c) an individual taxpayer whose

64 income so combined and subject to taxation does not exceed nine  
65 thousand dollars during said year, with an additional three  
66 thousand dollars for the first such dependent, including a spouse  
67 and an additional two thousand dollars for each additional  
68 dependent, up to a maximum of twenty thousand dollars for a  
69 taxpayer with five or more dependents or a spouse and four or  
70 more dependents, shall be allowed a credit in the amount of that  
71 portion of the real estate tax paid as so calculated which exceeds  
72 an amount equal to seven per cent of such income; except that  
73 any single individual who qualifies as a dependent of another  
74 individual, who need not be a resident of the Commonwealth,  
75 may not claim this credit on his own behalf. If the tax due as  
76 shown by the return of any individual is less than the total  
77 amount of the credit which he may claim pursuant to this  
78 subsection, such individual shall be entitled to a refund in the  
79 amount of the excess of the credit over the tax otherwise due.

80 Any individual entitled to claim any credit pursuant to this  
81 subsection and not otherwise required to file a return under this  
82 chapter may obtain a refund in the amount of such credit by filing  
83 a return and claiming a refund. Any refund to which an  
84 individual is entitled under the provisions of this subsection shall  
85 be made in the same manner as other refunds under this chapter.  
86 No refund or credit shall be allowed pursuant to this subsection  
87 unless such credit or refund is claimed on a return filed on or  
88 before the fifteenth day of the fourth month following the close of  
89 the taxable year, or within any extension of time granted for filing  
90 such return. The commissioner may adopt such regulations,  
91 prescribe such forms, and require such information, including  
92 reasonable proof of rent paid, as he finds necessary to implement  
93 the provisions of this subsection.

1 SECTION 2. Section 3 of chapter 62A of the General Laws is  
2 hereby amended by striking out the last paragraph, as appearing  
3 in section 21 of said chapter 555 and inserting in place thereof the  
4 following paragraph: —

5 Any eligible individual entitled to any credit under subsections  
6 (b) or (c) of section six of chapter sixty-two may claim such credit  
7 in the return filed under this chapter.

1 SECTION 3. Section 4(a) of said chapter 62, as so amended, is  
2 hereby further amended by striking the words “nine per cent” and  
3 inserting in their place: — eleven per cent. Section 4(b) of said  
4 chapter, as so amended, is hereby further amended by striking the  
5 words “five per cent” and inserting in their place: — seven per  
6 cent.

1 SECTION 4. Section 5B of said chapter 62, as so amended, is  
2 hereby further amended by striking in subsection (a)(1)(i) the  
3 words “two thousand dollars” and inserting in their place: — two  
4 thousand eight hundred dollars; by striking in subsection (a)(2)(i)  
5 the words “two thousand six hundred dollars” and inserting in  
6 their place: — three thousand six hundred dollars; by striking in  
7 subsection (a)(3)(i) the words “one thousand dollars” and  
8 inserting in their place: — one thousand four hundred dollars;  
9 and by striking in subsection (a)(4) the words “six hundred  
10 dollars” and inserting in their place: — eight hundred dollars.

1 SECTION 5. This act shall apply to all taxable years beginning  
2 on or after January 1, 1979.